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History of the Prudential Life Insurance Company of America (Industrial Insurance), 1875-1900. By FREDERICK L. HOFFMAN, F. S. S., Statistician of the Company. Newark, N. J.: Prudential Press. Pp. xiii and 338.

The anniversary volumes with their wealth of pictorial ornamentation and biographical data, which railroads, banks, insurance and kindred corporations are wont to issue, rarely call for comment in the pages of scientific journals. They frequently contain, it is true, important data for the economic history of the nation, but it must be sifted from a mass of personal matter which has no interest for the general reader. Mr. Hoffman's work differs so widely from the general run of such publications that we venture to bring it to the attention of economists and sociologists. The author is known by his able discussion of the negro question in the publications of the American Economic Association, and those who are familiar with his writings have learned to expect scholarly work from his pen. Nor will they be disappointed in the present work. With the inevitable limitations imposed by the duty of describing specifically the work of a particular corporation, Mr. Hoffman has produced an authoritative work on industrial insurance, a widely diffused form of thrift, but little known outside of the working classes to which it specifically appeals. Interwoven with the history of the Prudential Company, the pioneer in this form of insurance in the United States, we find a discussion of the principles upon which the business rests, which, until the appearance of the author's promised larger volume on Industrial Insurance, will probably be the most accessible source of information on this important subject. As it is one which has not heretofore been noticed in the ANNALS, I venture to speak somewhat at length of the contents of the work.

To the general reader the introduction in which the general aspects of industrial insurance are set forth, and the concluding chapter which summarizes the experience of the company will be of the greatest interest. But if he seeks a more thorough knowledge of the subject, he cannot afford to overlook the intervening chapters in which the gradual development of the company is traced and where questions of principle are more amply discussed.

What, then, is industrial insurance? Briefly, it is insurance for the industrial masses in amounts and under conditions suited to their economic circumstances. It differs from ordinary life insurance in several important respects. In the first place, the policies are adjusted to the premiums, whereas in ordinary insurance the reverse is the case. In the latter the premium rate for a given age is adjusted to the basis of a policy of \$1,000 as the standard, in the former the

amount of the policy is adjusted to the payment of a definite weekly premium, which may be as low as five cents and which in the Prudential cannot exceed sixty-five cents. In ordinary life insurance payments of premiums are made at the company's offices and are rarely more frequent than quarterly, while in industrial insurance the premiums are collected weekly at the homes of the insured. Again, while ordinary life insurance is generally adult insurance, industrial insurance extends to all ages from one year and upward. Life insurance claims to be at once a protection and an investment; industrial insurance claims to be little more than protection. At its origin it emphasized the fact that the amount of the policy would constitute a burial fund, and this still plays the principal rôle in its arguments, though amounts have been gradually increased so that they will cover the expenses of the last illness and provide, perhaps, a small fund, not for investment, but as a means of supplying the family needs until new sources of income are found.

Before the advent of industrial insurance in the United States various efforts had been made to extend the benefits of insurance to the masses. These generally took the form of associations which collected weekly dues from members and insured them in a regular company. These efforts generally collapsed after a short existence for they could not provide an effective machinery for the collection of the premiums. Concurrently with these institutions there arose a great number of fraternal orders of various sorts which did an insurance business upon the so-called co-operation plan. The record of these well-meaning but misguided efforts is a painful story of failure and distress. Carried on in woeful disregard of the first principles of scientific insurance, their collapse was inevitable, and few have survived the span of a generation. They perished in the pursuit of the phantom of "cheap" insurance, which, as everyone knows, is no insurance at all.

Industrial insurance has been spared the fate of these fatuous enterprises because it has given to the workingman real protection. The primary advantage which it offers him is not cheapness but facility in affecting insurance. It has been characterized as doing an insurance business by retail, and it has been properly stated that its patrons were unable to buy at wholesale and obtain the advantages of such rates. They buy, to follow out the metaphor, in small amounts and by frequent purchases and must submit to the higher prices which this uniformly involves. The industrial companies are purely business institutions, which approach their patrons with no offer of benevolence, but with a strictly business proposition. It might be supposed that the expensiveness of the business would be a bar to the

commercial success of the companies, but it has not proved so. Insurance even at comparatively high rates has been appreciated by the masses as so much better than no insurance at all that it has acquired a widespread popularity.

Mr. Hoffman devotes considerable attention to the controversy over the insurance of children. This form of insurance has frequently been condemned by well meaning persons, who have seen in the insurance of the lives of young children a temptation to child murder. Various legislative inquiries have shown how baseless is the charge, and the fact that the mortality experience of the industrial companies is lower than the general infant mortality would seem to dispose of it at once. None the less, some states have seen fit to pass laws regulating this matter, but in so doing they have only incorporated into law the previous practice of the better companies in limiting to a comparatively small sum the amount of the policies. Through the ignorance of many people as to the methods of industrial insurance, this controversy has had a larger place in the public eye than its importance warrants, but it seems well to mention it here briefly.

If the proof of the pudding is in the eating, the success of the industrial companies should be an indication that they perform a social function of the first importance. Founded in 1875, the Prudential Company had 4,816 policies outstanding December 31, 1876, of an average amount of \$92. On December 31, 1899, its policies numbered 3,406,189 for an aggregate amount of \$389,039,257, or an average of \$114.22. Its premium income from such policies was over fifteen million dollars. The success of industrial insurance prompted the company to enter the field of ordinary life insurance, writing policies for \$500 and upwards. Its policy holders in this field may perhaps be regarded as those who have graduated from the industrial field, but not yet reached the economic conditions cultivated by the ordinary companies, since its policies average \$1,094 against \$2,382 of the ordinary insurance companies reporting to the New York Insurance Department. The table of occupations of adult decedents shows that it reaches all classes in the community.

To the figures here given a statement of the extent of industrial insurance may well be added. (See table page 121.)

Mr. Hoffman furnishes us in the following table an effective contrast of the various provident institutions in the United States at the close of 1899:

11 Industrial Life Companies	policy holders,	10,026,422
942 Savings Banks	depositors,	5,687,818
58 Ordinary Life Companies	policy holders,	2,807,476

With these figures before us and with Mr. Hoffman's careful history

of the Prudential Company and discussion of its principles, we may well concede to him success in his effort to make "it plain to the reader that we have in industrial insurance a form of thrift which no economist or student of social questions can properly or wisely ignore,

INDUSTRIAL INSURANCE IN THE UNITED STATES, JANUARY 1, 1900.

COMPANIES.	Home Office.	No. of Policies in Force.	Amounts of Industrial Insurance in Force.
Metropolitan . . .	New York, N. Y.	4,855,756	\$688,629,175
Prudential	Newark, N. J. . .	3,406,189	389,039,257
John Hancock . . .	Boston, Mass. . .	1,069,197	141,609,904
Life Ins. Co. of Va.	Richmond, Va. . .	219,679	20,246,656
Sun	Louisville, Ky. . .	148,049	16,368,863
West'n and South'n	Cincinnati, O. . .	117,545	10,881,961
Baltimore Mut. Aid.	Baltimore, Md. . .	86,251	5,150,963
Pacific Mutual . . .	San Fran'co, Cal.	61,709	11,779,229
Colonial	Jersey City, N. J.	27,697	2,854,075
Mutual	Baltimore, Md. . .	21,132	2,304,762
Provident Life . . .	Wheeling, W. Va.	13,238	1,571,510
		10,026,442	\$1,290,436,355

a form of thrift which rather than deserving of that marked degree of indifference which alone explains the paucity of all reference to the entire subject of life insurance in works on economics and social science, is fully worthy of the most careful and thorough study on the part of those who concern themselves with socio-economic questions directly affecting the welfare of the working people of this country."

ROLAND P. FALKNER.

The Trust Problem. By JEREMIAH WHIPPLE JENKS, Ph. D. Pp. 279. Price, \$1.00. New York: McClure, Phillips & Co., 1900.

In "The Trust Problem" Professor Jenks has given us an excellent piece of scientific writing. He has confined himself very largely to a presentation of important facts, reserving his judgment until it can be more safely given, telling his reader what is, instead of attempting to determine what ought to be. A summary of the main features of the book will furnish its most satisfactory review. The spirit of the author is set forth in the introduction: "It is hoped that the prejudices which are common to all have not prevented a reasonable degree of fairness in seeing and depicting both sides of this question, the good as well as the evil.

The first chapter contains an analysis of competition. The author combats the notion that it is "free" in anything like the absolute